Form 3160-3 (August 1999)

UNITED STATES

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

| DEPARTMENT OF TH | IE INTERIO |)K | | J. Boase Serial 1101 | | |
|--|---------------------------|------------------------|----------------------|--|--------------------------|--|
| BUREAU OF LAND MA | UTU-01196-C | | | | | |
| | 6. If Indian, Allottee or | Tribe Name | | | | |
| APPLICATION FOR PERMIT TO | J DRILL OF | REENIER | | | | |
| V prist | EENTER | | | 7. If Unit or CA Agree | ment, Name and No. | |
| a. Type of Work: X DRILL RI | SENTER | | | UNIT #891008900 | Α | |
| | | | | 8. Lease Name and Wo | | |
| b. Type of Well: Oil Well 🗶 Gas Well 🔲 Other | \ \$ | Single Zone 🛛 🗶 | Multiple Zone | NBU 1022-8B- | <u>4T</u> | |
| Name of Operator | | | | 9. API Well No. | 47-38921 | |
| (ERR McGEE OIL & GAS ONSHORE LP | 3h Phone N | o. (include area co | de) | Field and Pool, or I | Exploratory | |
| A. Address 368 SOUTH 1200 EAST VERNAL, UT 84078 | (435) 781 | -7024 | | NATURAL BUTTI | | |
| cyv 11 cp | ith any State rea | quirements.*) | 2.08 | 11. Sec., T., R., M., or | Blk, and Survey or Are | |
| t surface NWNE 909'FNL, 1793'FEL | 527X | 39.968 | 170 | | | |
| at proposed prod. Zone | 25 151 Y | -109.9 | 154929 | SEC. 8, T10S, R2 | | |
| Distance in miles and direction from nearest town or post office. | | | | 12. County or Parish | 13. State | |
| 24.6 MILES SOUTH OF OURAY, UTAH | | | | UINTAH | UTAH | |
| 5. Distance from proposed* | 16. No. of A | Acres in lease | 17. Spacing Uni | t dedicated to this well | | |
| location to nearest property or lease line, ft. 909' | | | 00.00 | | | |
| property or lease line, ft. (Also to nearest drig. unit line, if any) | | 400.00 20.00 | | ond No. on file | | |
| 3. Distance from proposed location* to nearest well, drilling, completed, REFER T | o 19. Propose | ed Depth | BOND NO: \ | | | |
| applied for, on this lease, ft. TOPO C | 8930' | | BOND NO: | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) | 22. Approx | imate date work w | ill start* | 23. Estimated duration | | |
| 5186'UNGRADED GL | | | | | | |
| O 180 ON GIVADED GE | 24 / | Attachments | | | | |
| | | | shall be attached to | o this form: | | |
| The following, completed in accordance with the requirements of | Inshore Oil and | 1 Gas Order No. 1, | Shan be attached to | | | |
| Well plat certified by a registered surveyor. | | 4. Bond to c | over the operation | ns unless covered by an existi | ng bond on file (see | |
| • | | Item 20 al | oove). | | | |
| A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syster | m Lands, the | 5. Operator c | ertification. | | | |
| | | 6 Such other | site specific infor | mation and/or plans as may b | e required by the | |
| SUPO shall be filed with the appropriate Forest Service Office. | | authorized | | | | |
| | | | | · · | Date | |
| 25. Signature 5 | | ame (Printed/Typed | | i Î | 12/1/2006 | |
| | | TEILA UPCHI | -60 | | | |
| Hitle | | grand and a section | Charles and a | | | |
| REGULATORY ANALYST | | | | : (\$ | Date | |
| Approved by Signature) | SIN 8 | ame (Printed/Type | | | 04-20-09 | |
| Maddy | - toe | BRADLE | | | | |
| Title | | | TAL MANAGER | - a 3 | | |
| Application approval does not warrant or certify that the applican | t holds legal or | equitable title to the | ose rights in the su | ibject lease which would enti | de the applicant to cond | |
| operations thereon. | - | | | | | |
| | | | | | | |
| Title 18 H.S.C. Section 1001 and Title 43 H.S.C. Section 1212, m | ake it a crime for | or any person know | ingly and willfully | y to make to any department of | or agency of the United | |
| States any false, fictitious or fraudulent statements or representati | ons as to any m | atter within its juri | sdiction. | | | |
| States any faise, fictuous of fradutions attentions of representations | | | | | * | |

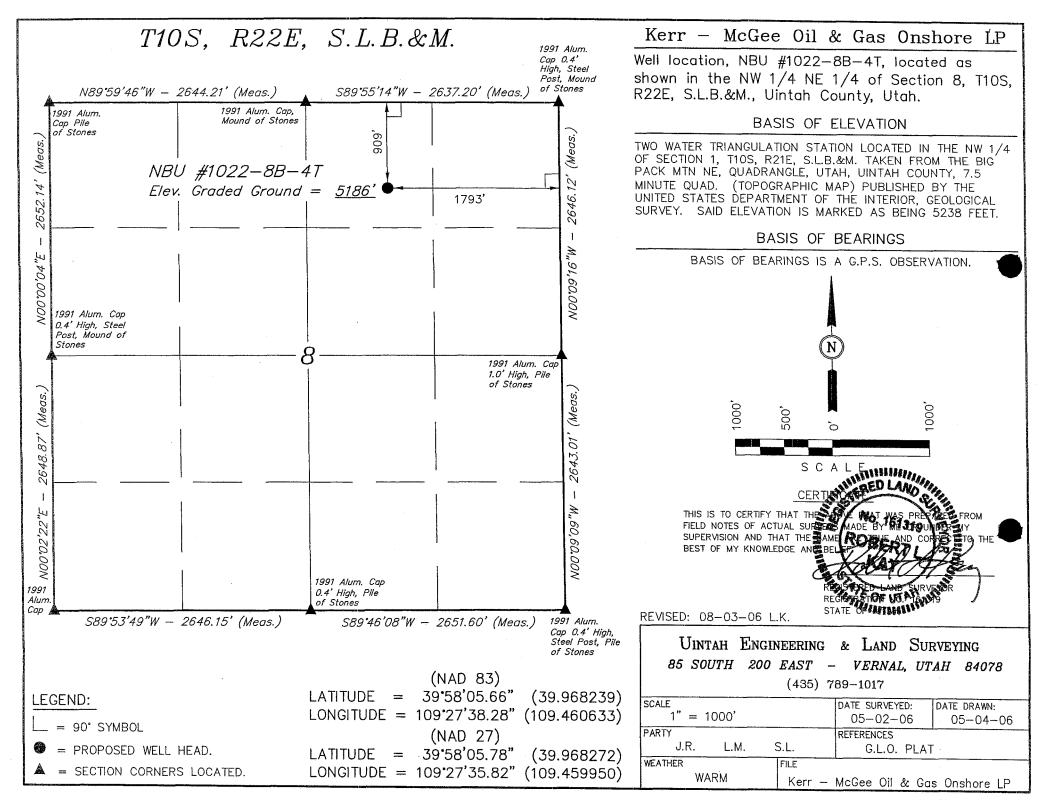
Federal Approval of this Action is Necessary

*(Instructions on reverse)

RECEIVED

DEC 1 1 2006

DIV. OF OIL, GAS & MINING



NBU #1022-8B-4T NWNE SEC 8, T10S, R22E UINTAH COUNTY, UTAH UTU-01196-C

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|---|--|
| Uinta Green River Top of Birds Nest Water Mahogany Wasatch Mesaverde MVU2 MVL1 TD | 0- Surface 1230' 1502' 2110' 4363' 6866' 7816' 8371' 8930' |
| | |

2. <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations</u>:

| Substance | <u>Formation</u> | <u>Depth</u> |
|--------------------------------------|--|---|
| Gas Gas Gas Gas Water Other Minerals | Green River Top of Birds Nest Water Mahogany Wasatch Mesaverde MVU2 MVL1 N/A N/A | 1230' 1502' 2110' 4363' 6866' 8371' 8371' |

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 8930' TD, approximately equals 5537 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3572 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

Please see Natural Buttes Unit SOP.

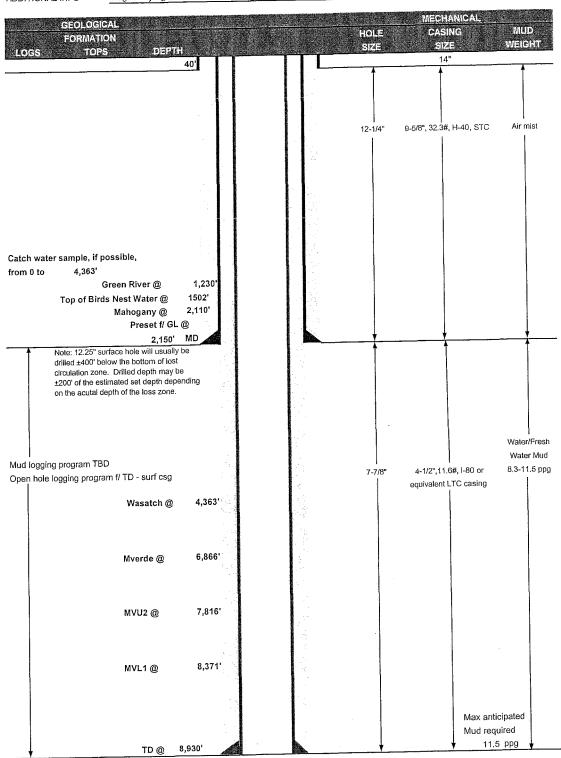
10. Other Information:

Please see Natural Buttes Unit SOP.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

| COMPANY NAME | KERR-McGEE OIL & GAS ONSHORE LP NBU 1022-8B-4T | DATE | December 8,930' | n 1, 2006 MD/TVD | |
|---------------------------------------|--|------------|--------------------|---------------------|-------------------|
| | DTATE | Utah | ELEVATION | 5,187' GL | KB 5,202' |
| FIELD Natural Bur SURFACE LOCATION | 165 0001111 01111111 17001 | | - | | BHL Straight Hole |
| | Latitude: 39.968239 Longitude: 109 | 9.460633 | | | |
| OBJECTIVE ZONE(S) | Wasatch/Mesaverde | | | | |
| ADDITIONAL INFO | Regulatory Agencies: BLM (SURF & MINER | ALS), UDOG | M, Tri-County I | Health Dept. | |





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

| | | | | | | | | I | DESIGN FACT | ORS |
|------------|--------|----|-------|------|-------|------|-------|--------------------|--------------|----------------|
| | SIZE | IN | TERV/ | AL . | WT. | GR. | CPLG. | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | | 0-40' | | | | | 2270 | 1370 | 254000 |
| SURFACE | 9-5/8" | 0 | to | 2150 | 32.30 | H-40 | STC | 0.67****** 7780 | 1.36 6350 | 4.18 201000 |
| PRODUCTION | 4-1/2" | 0 | to | 8930 | 11.60 | I-80 | LTC | 2.30 | 1.19 | 2.22 |
| | | | | | | | | | | |

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD =

11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

3376 psi

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

| | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | VIELD |
|----------------|---------------|--|------------|--------------|---------|------------------|
| SURFACE LEA | | Premium cmt + 2% CaCl | 215 | 60% | 15.60 | 1.18 |
| Option 1 | ŧ | + .25 pps flocele | | | | |
| TOP OUT CMT | 200 | 20 gals sodium silicate + Premium cmt | 50 | | 15.60 | 1.18 |
| | | + 2% CaCl + .25 pps flocele | | | 1737.73 | |
| TOP OUT CMT | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| SURFACE | | NOTE: If well will circulate water to su | ırface, op | ion 2 will b | | |
| Option 2 | 1500 | Prem cmt + 16% Gel + 10 pps gilsonite | 170 | 35% | 11.00 | 3.82 |
| - F | | +.25 pps Flocele + 3% salt BWOC | | | | |
| TA | 500 | Premium cmt + 2% CaCl | 180 | 35% | 15.60 | 1.18 |
| | | + .25 pps flocele | | | | |
| TOP OUT CM | T as required | Premium cmt + 2% CaCl | as req. | - | 15.60 | 1.18 |
| | | | | 100 | | <u> 1. 1. 2 </u> |
| PRODUCTION LEA | 3,860' | Premium Lite II + 3% KCI + 0.25 pps | 420 | 60% | 11.00 | 3.38 |
| | | celloflake + 5 pps gilsonite + 10% gel | | | | |
| | | + 0.5% extender | | | | |
| | Assault and | 医乳化 等别 医肝压力性原染现代 | | | | |
| TA | ı. 5,070' | 50/50 Poz/G + 10% salt + 2% gel | 1420 | 60% | 14.30 | 1.31 |
| | Tay Salts | +.1% R-3 | | | | |

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

| SURFACE PRODUCTION | Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe. |
|-----------------------|---|
| | |
| | Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers. |
| | |

ADDITIONAL INFORMATION

| Test casing head to 750 psi after installing. | Test surface casing to 1,500 psi prior to drilling out. | |
|---|--|----------------------------|
| | | Deced on chart recorder & |
| BOPE: 11" 5M with one annular and 2 rams | s. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. | Record on chart recorder & |

tour sheet. Function test rams on each frip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper

& lower kelly valves.

Drop Tolco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

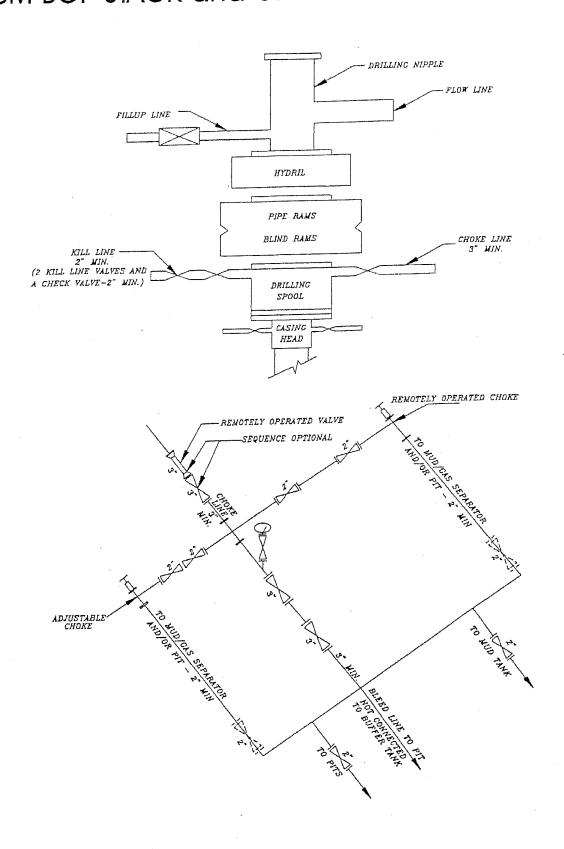
Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utililized.

| DRILLING ENGINEER: | | DATE: |
|--------------------------|------------|-------|
| | Brad Laney | |
| DRILLING SUPERINTENDENT: | | DATE: |

Randy Bayne NBU1022-8B-4T DHD.xls

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU #1022-8B-4T NWNE SEC 8, T10S, R22E UINTAH COUNTY, UTAH UTU-01196-C

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

The operator will utilize the existing access road. Please refer to the attached Topo Map B.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Approximately 550' +/- of 4" pipeline is proposed. The pipeline shall be butt-welded. Refer to Topo Map D.

Variances to Best Management Practices (BMPs) Requested:

The pipeline shall be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. <u>Location and Type of Water Supply:</u>

Please see the Natural Buttes SOP.

6. Source of Construction Materials:

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (Request is in lieu of filing Form 3160-5, after initial production).

8. Ancillary Facilities:

Please see the Natural Buttes SOP.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A 20 mil reserve pit liner with felt will be used. As discussed at the on-site inspection.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be resurveyed and a form 3160-5 will be submitted.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes SOP.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Galleta Grass

20 lbs.

Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435)781-4400

12. Other Information:

A Class III archaeological survey has been performed and completed on May 29, 2006; The archaeological report No. 06-220 is attached. The paleontological survey have been performed and completed on August 15, 2006 the paleontological survey report No. 06-266; these reports are being submitted along with the Application for Permit to Drill.

13. <u>Lessee's or Operator's Representative & Certification</u>:

Sheila Ucphego Regulatory Analyst Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7024 Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bold #WY-2357.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego

12/1/2006

Date

Kerr-McGee Oil & Gas Onshore LP NBU #1022-8B-4T SECTION 8, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 7.2 MILES TO JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN WESTERLY; THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.6 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-8B-4T LOCATED IN UINTAH COUNTY, UTAH SECTION 8, T10S, R22E, S.L.B.&M.

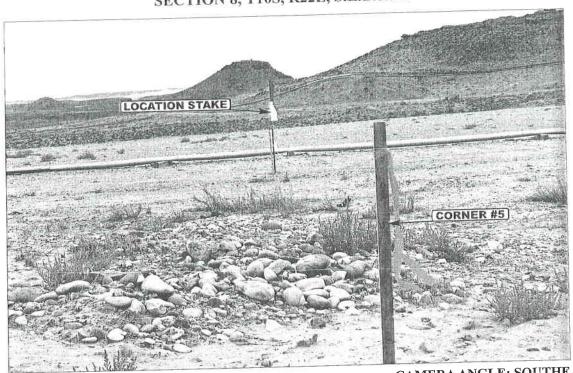


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

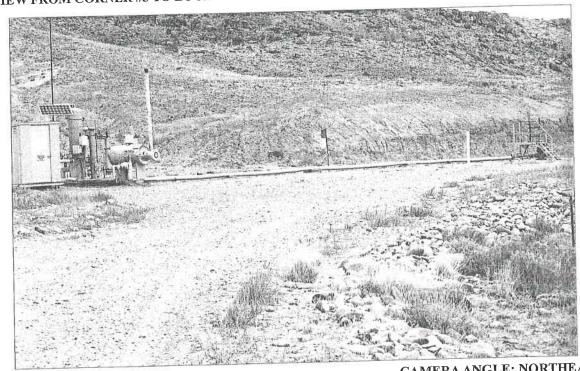


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHEASTERLY



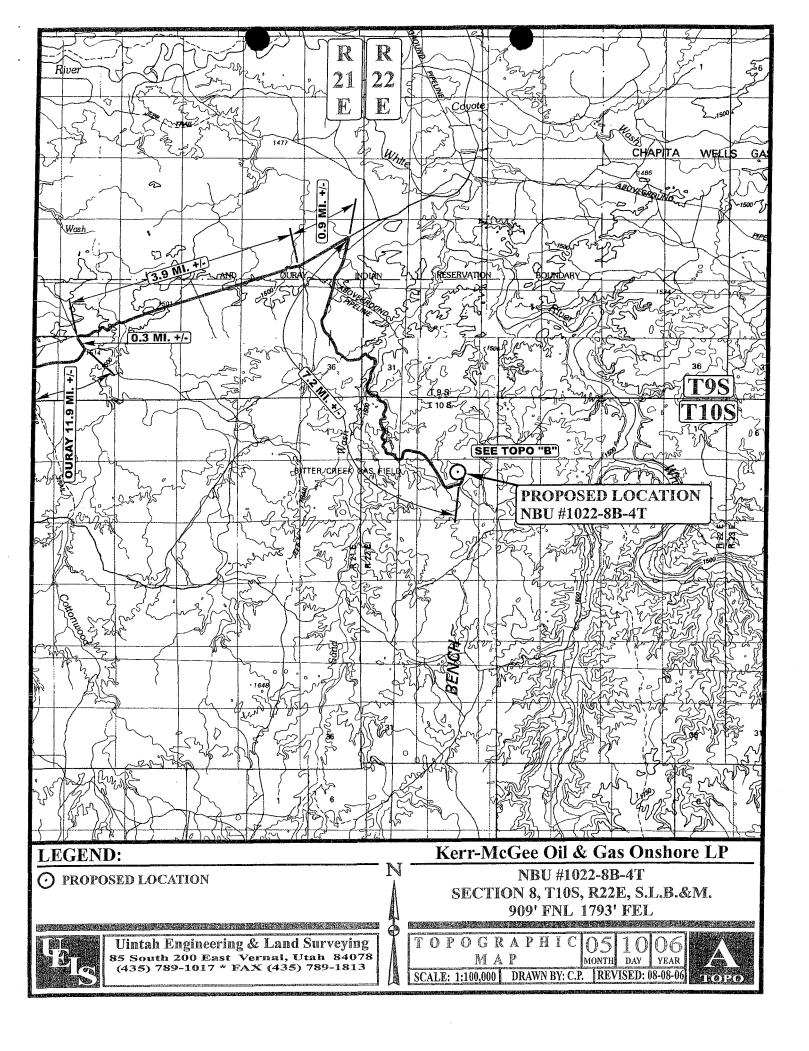
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

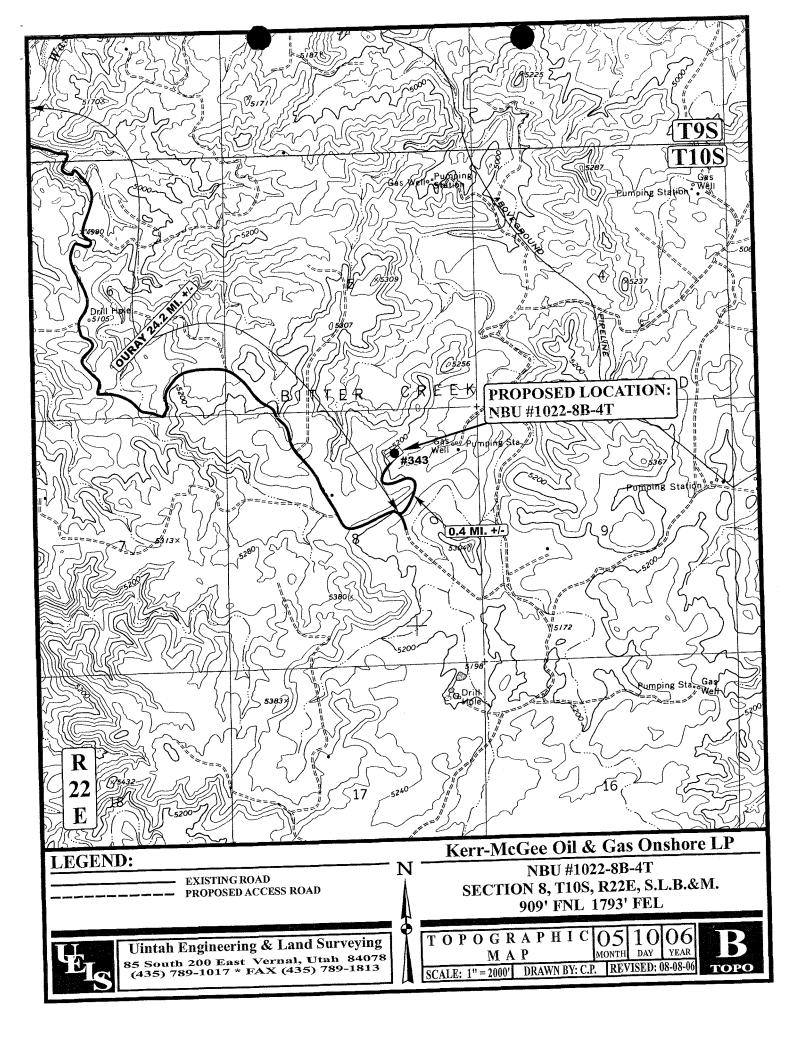
LOCATION PHOTOS

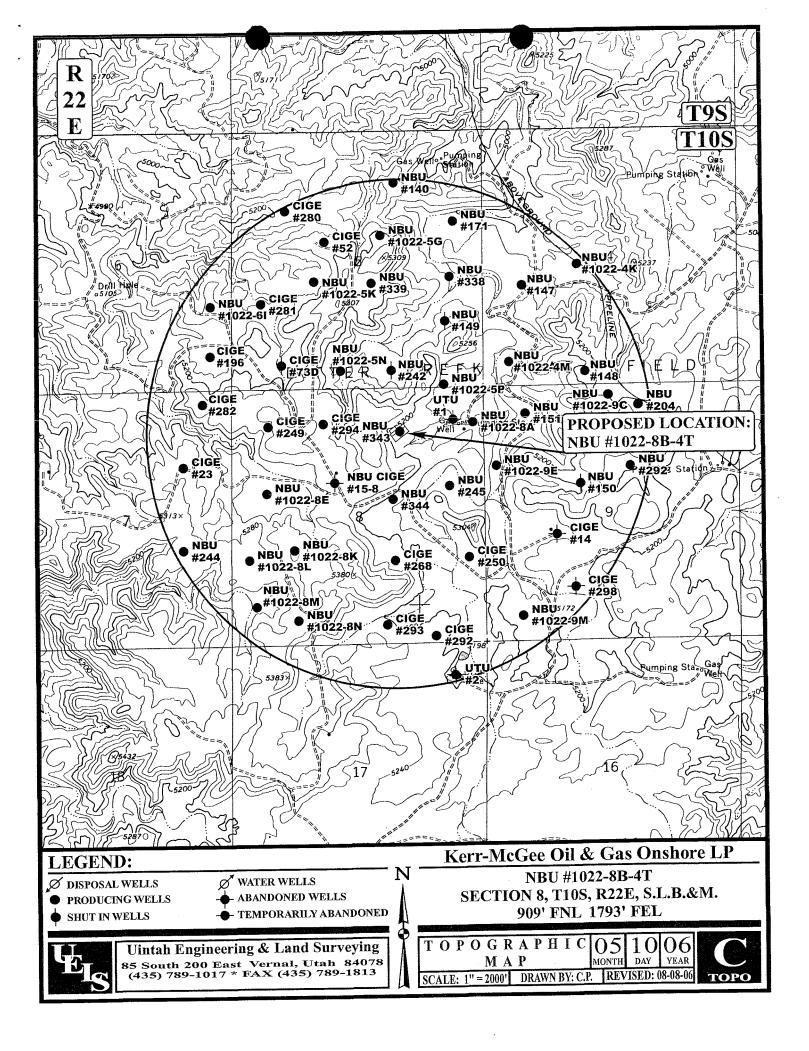
MONTH DAY YEAR

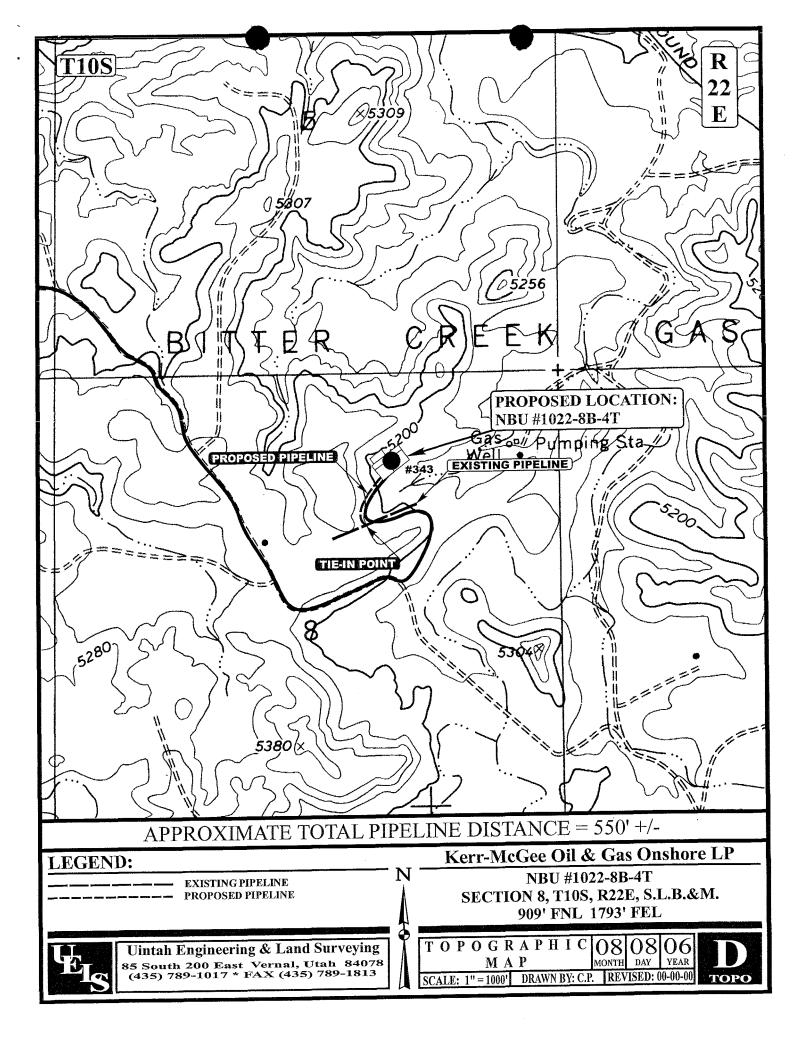
DRAWN BY: C.P. | REVISED: 08-08-06 TAKEN BY: D.K.

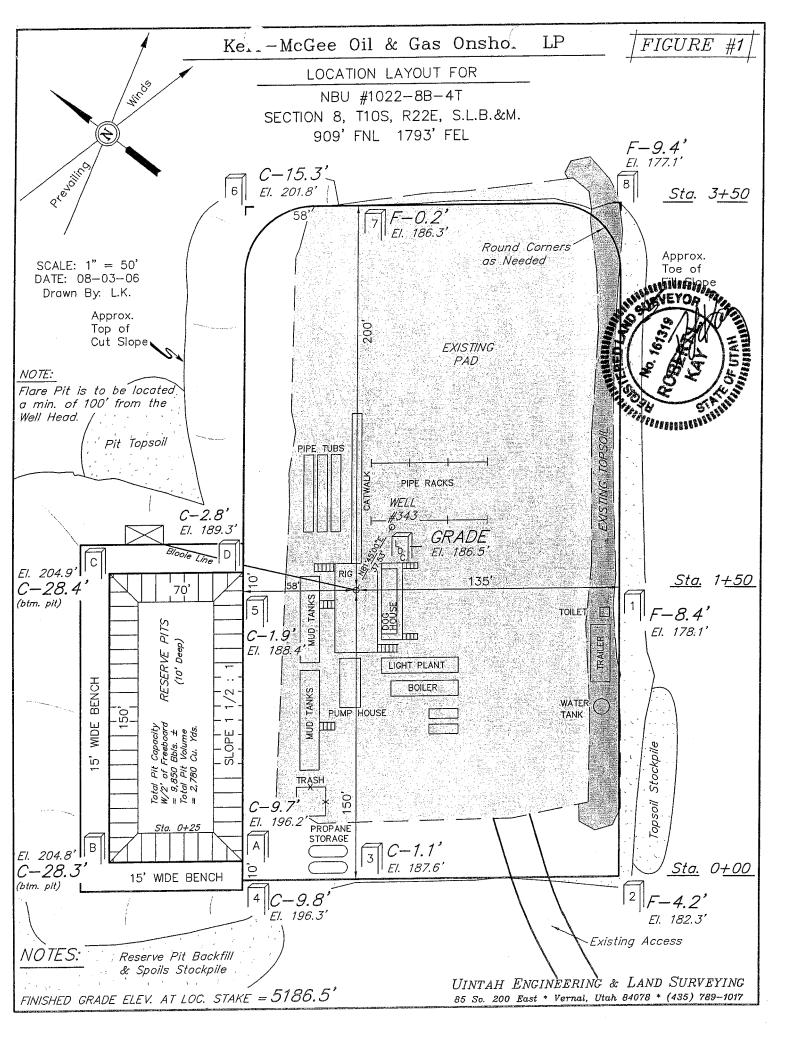
РНОТО

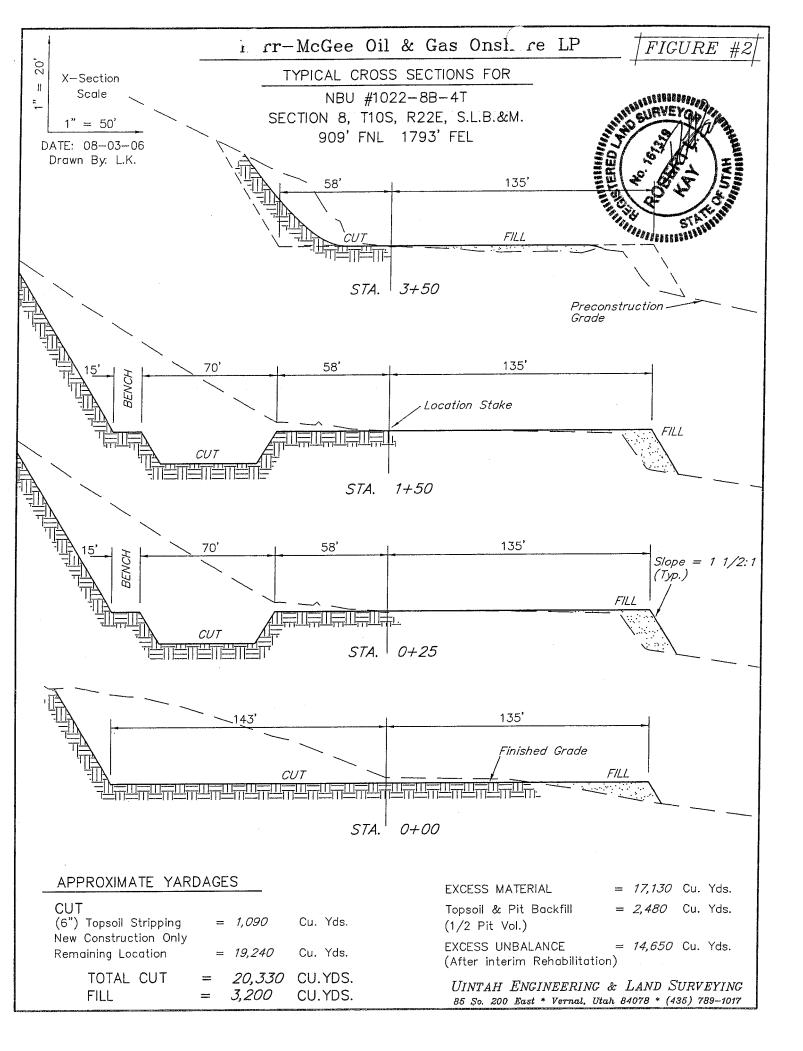






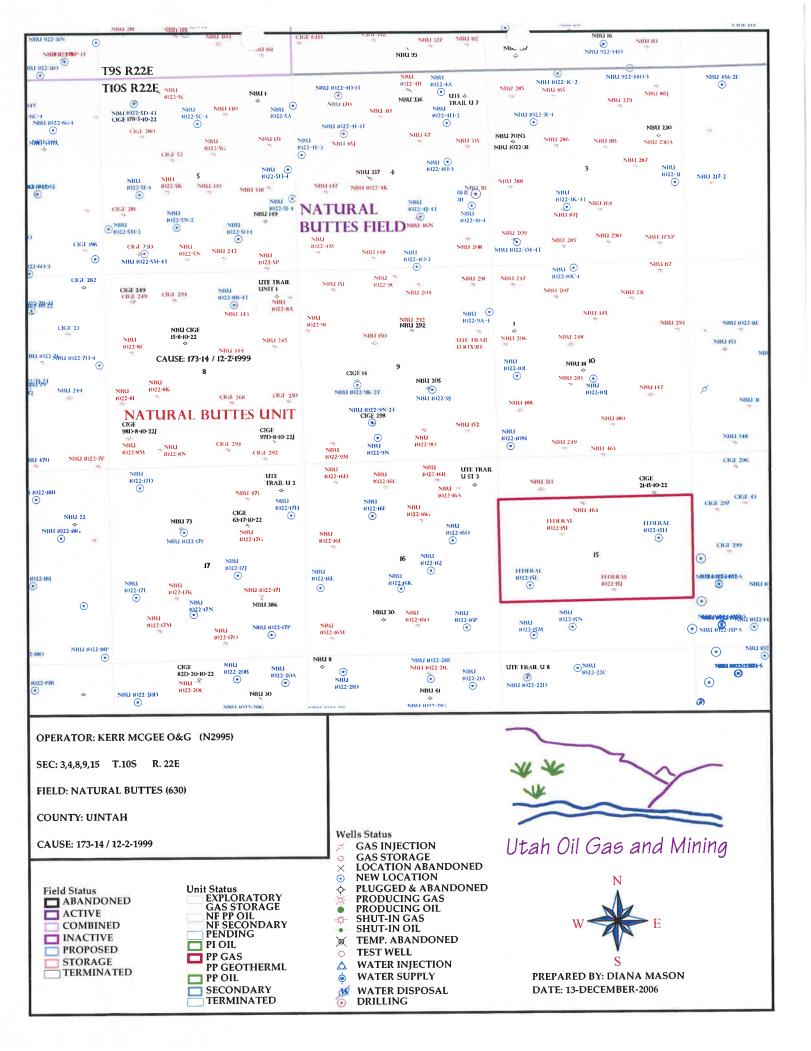






WORKSHEET APPLICATION FOR PERMIT TO DRILL

| APD RECEIVED: 12/11/2006 | API NO. ASSIGNED: 43-047-38921 |
|--|---|
| WELL NAME: NBU 1022-8B-4T OPERATOR: KERR-MCGEE OIL & GAS (N2995) CONTACT: SHEILA UPCHEGO | PHONE NUMBER: 435-781-7024 |
| PROPOSED LOCATION: | INSPECT LOCATN BY: / / |
| NWNE 08 100S 220E SURFACE: 0909 FNL 1793 FEL | Tech Review Initials Date |
| BOTTOM: 0909 FNL 1793 FEL | Engineering |
| COUNTY: UINTAH | Geology |
| LATITUDE: 39.96818 LONGITUDE: -109.4599 UTM SURF EASTINGS: 631527 NORTHINGS: 44251 | Surface |
| FIELD NAME: NATURAL BUTTES (630 LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-01196-C SURFACE OWNER: 1 - Federal |) PROPOSED FORMATION: WSMVD COALBED METHANE WELL? NO |
| Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. WY-2357) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) RDCC Review (Y/N) (Date:) MM Fee Surf Agreement (Y/N) Intent to Commingle (Y/N) | LOCATION AND SITING: R649-2-3. Unit: NATURAL BUTTES R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: |
| STIPULATIONS: STIPULATIONS: STIPULATIONS: | |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

April 17, 2009

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2009 Plan of Development Natural Buttes Unit Uintah

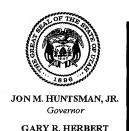
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Natural Buttes Unit, Uintah County, Utah.

API # WELL NAME LOCATION (Proposed PZ WASATCH-MESA VERDE) 43-047-50342 NBU 922-29M3CS Sec 29 T09S R22E 0572 FSL 0520 FWL BHL Sec 29 T09S R22E 0065 FSL 0315 FWL 43-047-50343 NBU 922-29M2DS Sec 29 T09S R22E 0611 FSL 0511 FWL BHL Sec 29 T09S R22E 0689 FSL 0515 FWL 43-047-50348 NBU 922-32K1S Sec 32 T09S R22E 2137 FNL 1793 FWL BHL Sec 32 T09S R22E 2558 FSL 2399 FWL 43-047-50349 NBU 922-32F3T Sec 32 T09S R22E 2111 FNL 1824 FWL 43-047-50350 NBU 922-32F2S Sec 32 T09S R22E 2098 FNL 1839 FWL Sec 32 T09S R22E 1558 FNL 1565 FWL BHL 43-047-50351 NBU 922-32E2S Sec 32 T09S R22E 2150 FNL 1778 FWL BHL Sec 32 T09S R22E 1786 FNL 0412 FWL 43-047-38921 NBU 1022-8B-4T Sec 08 T10S R22E 0909 FNL 1793 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard



Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

April 20, 2009

Kerr-McGee Oil & Gas Onshore LP 1368 S 1200 E Vernal, UT 84078

Re:

NBU 1022-8B-4T Well, 909' FNL, 1793' FEL, NW NE, Sec. 8, T. 10 South, R. 22 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38921.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



| Operator: | Kerr-McGee Oil & Gas Onshore LP | | | | | | |
|------------------------|---------------------------------|--------------------|-------------------|--|--|--|--|
| Well Name & Number | NBU 1022-8B-4T | | | | | | |
| API Number: | 43-047-38921 | | | | | | |
| Lease: | UTU-01196-C | | | | | | |
| Location: <u>NW NE</u> | Sec8_ | T. 10 South | R. 22 East | | | | |

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

Form 3160-3 (August 1999) RECEIVED

DEC 0 4 2006

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

Lease Serial No.

J. Lease Serial I

UTU-01196-C

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER LM

UNITED STATES

DEPARTMENT OF THE INTERIOR

| la. Type of Work: X DRILL | ENTER | | | 7. If Unit or CA Agreeme | ent, Name and No. |
|--|---------------------------------------|-------------------|---------------------------------------|---------------------------------|---------------------------------------|
| | 22111211 | | | UNIT #891008900A | Natural But |
| | | _ | | 8. Lease Name and Well | No. |
| b. Type of Well: Oil Well X Gas Well Other | Sing | gle Zone | Multiple Zone | NBU 1022-8B-4 | Γ |
| 2. Name of Operator | | | | 9. API Well No. | 3001 |
| KERR McGEE OIL & GAS ONSHORE LP | · · · · · · · · · · · · · · · · · · · | | · · · · · · · · · · · · · · · · · · · | 43 M 5 | 8121 |
| 3A. Address | 3b. Phone No. (| | rode) | 10. Field and Pool, or Exp | • |
| 1368 SOUTH 1200 EAST VERNAL, UT 84078 | (435) 781-70 | | | NATURAL BUTTES | |
| Location of Well (Report location clearly and in accordance with At surface NWNE 909'FNL, 1793'FEL | h any State require | ements.*) | | 11. Sec., T., R., M., or BI | k, and Survey or Area |
| At proposed prod. Zone | | | | SEC. 8, T10S, R22E | i |
| 14. Distance in miles and direction from nearest town or post office | * | | | 12. County or Parish | 13. State |
| 24.6 MILES SOUTH OF OURAY, UTAH 5. Distance from proposed* | Tic No se A sus | - In faces | 17 Cassing Unit d | UINTAH edicated to this well | UTAH |
| location to nearest | 16. No. of Acre | s in lease | 17. Spacing Onli di | edicated to this well | |
| property or lease line, ft. 909' (Also to nearest drig. unit line, if any) | 400.00 | | 20.00 | | |
| 8. Distance from proposed location* to negrest, well drilling completed REFER TO | 10 Proposed D | epth | 20. BLM/BIA Bon | d No. on file | |
| 8. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C | 8930' | | BOND NO: WY | (- 2357 WYB000 | 291 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) | 22. Approxima | te date work w | vill start* | 23. Estimated duration | |
| 5186'UNGRADED GL | | | | | |
| | 24. Atta | achments | | | |
| The following, completed in accordance with the requirements of Or | nshore Oil and Gas | s Order No. 1 | shall be attached to th | is form: | · · · · · · · · · · · · · · · · · · · |
| The following, completed in accordance with the requirements of or | | , 0, 40, 1,0, 1, | , p | | • |
| 1. Well plat certified by a registered surveyor. | . 4 | . Bond to c | over the operations u | nless covered by an existing | bond on file (see |
| 2. A Drilling Plan. | | Item 20 al | bove). | | |
| 3. A Surface Use Plan (if the location is on National Forest System | Lands, the 5 | . Operator c | ertification. | | |
| SUPO shall be filed with the appropriate Forest Service Office. | 6 | . Such other | r site specific informat | ion and/or plans as may be re | quired by the |
| | • | authorized | office. | | |
| 25. Signature 5 | Name / | Printed/Typea | f) . | Date | : |
| | 1 | LA UPCHE | | 1 | 12/1/2006 |
| Fitle | | | | | |
| REGULATORY ANALYST | | | | | |
| Approved by (Spanature) | Name (| Printed/Typea | 1) | Date | IAV 11 and |
| July Renoster | | TERRY | Kenrella | | AT 11-7111 |
| Assistant Field Manager I ands & Mingral Resources | Office | VERN | al field of | | |
| Application approval does not warrant or certify that the applicant h | olds legal or equit | able title to the | ose rights in the subject | ct lease which would entitle t | he applicant to conduct |
| operations thereon. | | 000 | | OIAI ATT | · A · · · · · |
| Conditions of approval, if any, are attached. | HUN: | JU! | AFFIN | JVAL AII | MULTIME |
| Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make | e it a crime for any | person know | ingly and willfully to | make to any department or as | gency of the United |

*(Instructions on reverse)



States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOTICE OF AFFROVAL

MAY 18 2009

DIV. OF OIL, GAS & MINING

5/24/06 NOS



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

NAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

Kerr McGee Oil & Gas, LP

Location:

NWNE, Sec. 8, T10S, R22E

Well No:

NBU 1022-8B-4T

Lease No:

UTU-01196C

API No:

43-047-38921

Agreement:

Natural Buttes Unit

| Title | le Name | | Cell Phone Number | |
|-------------------------------------|--------------------|---------------------|-------------------|--|
| Petroleum Engineer | Michael Lee | (435) 781-4432 | (435) 828-7875 | |
| Petroleum Engineer | Ryan Angus | (435) 781-4430 | (435) 828-7368 | |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 | |
| Supervisory NRS | Karl Wright | (435) 781-4484 | | |
| NRS/Enviro Scientist | Christine Cimiluca | (435) 781-4475 | | |
| NRS/Enviro Scientist | Dan Emmett | (435) 781-3414 | (435) 828-4029 | |
| NRS/Enviro Scientist | Anna Figueroa | (435) 781-3407 | (435) 828-3548 | |
| NRS/Enviro Scientist | Lori Ford | (435) 781-4406 | | |
| NRS/Enviro Scientist | David Gordon | (435) 781-4424 | | |
| NRS/Enviro Scientist James Hereford | | (435) 781-3412 | (435) 828-3546 | |
| NRS/Enviro Scientist | Chuck Macdonald | 435) 781-4441 | (435) 828-7481 | |
| NRS/Enviro Scientist | Nathan Packer | (435) 781-3405 | (435) 828-3545 | |
| NRS/Enviro Scientist Paul Percival | | (435) 781-4493 | (435) 828-7381 | |
| NRS/Enviro Scientist Verlyn Pindell | | (435) 781-3402 | (435) 828-3547 | |
| NRS/Enviro Scientist | Holly Villa | (435) 781-4404 | (435) 828-3544 | |
| | | Fax: (435) 781-3420 | | |

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

| Location Construction | - | Forty-Eight (48) hours prior to construction of location and |
|----------------------------------|---|--|
| (Notify Environmental Scientist) | | access roads. |
| Location Completion | - | Prior to moving on the drilling rig. |
| (Notify Environmental Scientist) | | |
| Spud Notice | | Twenty-Four (24) hours prior to spudding the well. |
| (Notify Petroleum Engineer) | | |
| Casing String & Cementing | - | Twenty-Four (24) hours prior to running casing and cementing |
| (Notify Supv. Petroleum Tech.) | | all casing strings. |
| BOP & Related Equipment Tests | _ | Twenty-Four (24) hours prior to initiating pressure tests. |
| (Notify Supv. Petroleum Tech.) | | |
| First Production Notice | - | Within Five (5) business days after new well begins or |
| (Notify Petroleum Engineer) | | production resumes after well has been off production for more |
| | | than ninety (90) days. |

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFC COAs:

- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative/course of action will be rendered.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be re-contoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- Seeding shall occur in the fall (August 1st until snow or ground is frozen).

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Electronic/mechanical mud monitoring equipment shall be required, from surface casing shoe to TD, which shall include as a minimum: pit volume totalizer (PVT); stroke counter; and flow sensor.
- A formation integrity test shall be performed at the surface casing shoe.
- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.
- A Cement Bond Log (CBL) shall be run in the production casing from the TD to the top of cement.
 A field copy of the CBL shall be submitted to the BLM Vernal Field Office for review.

Site Specific Surface Plan COA

• Operator shall notify any active gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during surface construction for this well and access road.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's log.

Page 4 of 7 Well: NBU 1022-8B-4T 5/7/2009

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office:
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - Well location (1/41/4, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - O Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval of
 the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

| | STATE OF UTAH | | FORM 9 |
|--|---|--|--|
| DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | | 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-01196-C |
| SUNDF | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | |
| | sals to drill new wells, significantly deeper igged wells, or to drill horizontal laterals. I | | 7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES |
| 1. TYPE OF WELL Gas Well | | | 8. WELL NAME and NUMBER: NBU 1022-8B-4T |
| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSI | HORE, L.P. | | 9. API NUMBER: 43047389210000 |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th S | treet, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6007 Ext | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0909 FNL 1793 FEL | | | COUNTY: UINTAH |
| QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWNE Section: 08 | P, RANGE, MERIDIAN: Township: 10.0S Range: 22.0E Meridian: | S | STATE: UTAH |
| 11. CHE | CK APPROPRIATE BOXES TO INDICA | TE NATURE OF NOTICE, REPORT, | OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF ACTION | |
| Kerr-McGee Oil & Ga extension to this A | CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION MPLETED OPERATIONS. Clearly show all peas Onshore, L.P. (Kerr-McGee) PD for the maximum time allowith any questions and/or cor |) respectfully requests an owed. Please contact the mments. Thank you. | CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Olumes, etc. Approved by the Utah Division of Oil, Gas and Mining ate: April 20, 2010 y: |
| NAME (PLEASE PRINT) Danielle Piernot | PHONE NUMBER | R TITLE Regulatory Analyst | |
| SIGNATURE N/A | 720 929-6156 | DATE 4/14/2010 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047389210000

API: 43047389210000 Well Name: NBU 1022-8B-4T

Location: 0909 FNL 1793 FEL QTR NWNE SEC 08 TWNP 100S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 4/20/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that requ

| | tion as submitted in t sion. Following is a cl | | | | | | |
|----------|---|---------------|------------------|----------------|-----------------|--|--------|
| | ated on private land, ed? 问 Yes 📵 No | | ership changed, | if so, has the | surface ag | reement been | |
| | any wells been drilled requirements for this | | | sed well whic | h would af | fect the spacing | or |
| | nere been any unit or s proposed well? | | | ce that could | affect the | permitting or op | eratio |
| | there been any chang the proposed locatio | | | ding ownersh | ip, or right | of- way, which o | ould |
| • Has ti | ne approved source o | f water for d | rilling changed? | 🗎 Yes 📵 | No | | |
| | there been any physi je in plans from what | | | | | - | e a |
| • Is bor | nding still in place, wl | nich covers t | his proposed we | ell? 📵 Yes | Mo U | oproved by the tah Division o Gas and Mini | f |
| | Danielle Piernot | | 4/14/2010 | | | | |
| Title: | Regulatory Analyst Re | presenting: | KERR-MCGEE OIL | . & GAS ONSH | or Pate: | April 20, 2010 | |
| | | - | | | P | m callle | |

Sig

By: Dodg

Sundry Number: 14207 API Well Number: 43047389210000

| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES | | | FORM 9 | |
|--|---|--|---|--|
| DIVISION OF OIL, GAS, AND MINING | | | 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-01196-C | |
| SUNDRY NOTICES AND REPORTS ON WELLS | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| Do not use this form for proposition-hole depth, reenter plu DRILL form for such proposals. | sals to drill new wells, significantly deepen exi Igged wells, or to drill horizontal laterals. Use | sting wells below current APPLICATION FOR PERMIT TO | 7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES | |
| 1. TYPE OF WELL Gas Well | | | 8. WELL NAME and NUMBER: NBU 1022-8B-4T | |
| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONS | HORE, L.P. | | 9. API NUMBER: 43047389210000 | |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th S | PHONE treet, Suite 600, Denver, CO, 80217 3779 | NUMBER: 720 929-6515 Ext | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0909 FNL 1793 FEL | | | COUNTY: UINTAH | |
| QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWNE Section: 08 | IP, RANGE, MERIDIAN: Township: 10.0S Range: 22.0E Meridian: S | | STATE: UTAH | |
| 11. CHE | CK APPROPRIATE BOXES TO INDICATE I | NATURE OF NOTICE, REPORT | , OR OTHER DATA | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | |
| Kerr-McGee Oil & G extension to this A | CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION OMPLETED OPERATIONS. Clearly show all pertine as Onshore, L.P. (Kerr-McGee) rapped for the maximum time allow with any questions and/or comm | espectfully requests an ed. Please contact the nents. Thank you. | • | |
| NAME (PLEASE PRINT) | PHONE NUMBER | TITLE | | |
| Andy Lytle SIGNATURE | 720 929-6100 | Regulatory Analyst DATE | | |
| N/A | | 4/7/2011 | | |

Sundry Number: 14207 API Well Number: 43047389210000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047389210000

API: 43047389210000 **Well Name:** NBU 1022-8B-4T

Location: 0909 FNL 1793 FEL QTR NWNE SEC 08 TWNP 100S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 4/20/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

| • If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No |
|--|
| • Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No |
| • Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No |
| • Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No |
| • Has the approved source of water for drilling changed? Yes No |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No |
| • Is bonding still in place, which covers this proposed well? Yes No |
| natura. Andy Lytla Data: 4/7/2011 |

Signature: Andy Lytle **Date:** 4/7/2011

Title: Regulatory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

March 13, 2012

Jenn Hawkins Kerr McGee Oil & Gas Onshore, L.P. 1099 18th Street, Suite 1800 Denver, CO 80202 43 047 38921 NBU 1021-8B-4T 105 22E 8

Re:

APDs Rescinded for Kerr McGee Oil & Gas Onshore, L.P.

Uintah County

Dear Ms. Hawkins:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective March 7, 2012.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

Ture The Million

cc: Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner



| | APINumber | Well Name |
|---|------------|----------------------|
| | 4304750274 | NBU 727-35E |
| | 4304737762 | FEDERAL 920-24G |
| | 4304750439 | FEDERAL 1022-15L |
| | 4304750440 | FEDERAL 1022-15K |
| | 4304750441 | FEDERAL 1021-25I |
| | 4304750442 | FEDERAL 1021-25M |
| | 4304750443 | FEDERAL 1021-25N |
| | 4304738796 | FEDERAL 1022-27K |
| | 4304738980 | BITTER CREEK 1122-3N |
| | 4304737763 | FEDERAL 920-24H |
| | 4304737765 | NBU 1022-240 |
| | 4304736573 | NBU 1022-23C |
| | | · - |
| | 4304751040 | NBU 920-22L4CS |
| | 4304751041 | NBU 920-22M1BS |
| | 4304751042 | NBU 920-22M4BS |
| | 4304751051 | NBU 920-23L2DS |
| | 4304751052 | NBU 920-23L4BS |
| 7 | 4304738921 | NBU 1022-8B-4T |
| | 4304739253 | NBU 921-15L |
| | 4304738159 | NBU 1022-20B |
| | 4304738169 | NBU 1022-28I |
| | 4304750464 | NBU 922-33N4S |
| | 4304750465 | NBU 922-33O4S |
| | 4304750466 | NBU 922-33P2S |
| | 4304750467 | NBU 922-33P3S |
| | 4304738820 | LOVE 1121-18B |
| | 4304740189 | NBU 922-35IT |
| | 4304738491 | NBU 1022-5H-4 |
| | 4304750093 | NBU 1022-34F |
| | 4304750094 | NBU 1022-35M |
| | 4304750095 | NBU 1022-34E |
| | 4304750097 | FEDERAL 1022-27M |
| | 4304750067 | NBU 921-16F3S |
| | 4304750068 | NBU 921-16E4S |
| | 4304737103 | FEDERAL 1022-29C |
| | 4304750127 | NBU 420-29E |
| | 4304739527 | NBU 1021-20F |
| | 4304739528 | NBU 1021-20E |
| | 4304739530 | NBU 1021-20B |
| | 4304738741 | LOVE 1121-7P |
| | 4304738742 | LOVE 1121-7L |
| | 4304738744 | LOVE 1121-7F |
| | 4304738745 | LOVE 1121-7D |
| | 4304738747 | LOVE 1121-8P |
| | 4304738747 | LOVE 1121-8F |
| | 4304738754 | LOVE 1121-15L |
| | 4304738755 | LOVE 1121-15N |
| | 4304739525 | |
| | 4304738795 | NBU 1021-20H |
| | | NBU 1022-270 |
| | 4304738807 | NBU 1022-34D |
| | 4304738920 | NBU 1022-4E-3 |
| | 4304737547 | NBU 1022-17P |
| | 4304751050 | NBU 920-23L1BS |
| | 4304737907 | NBU 1021-3L |
| | 4304737908 | NBU 1021-3D |
| | | |

| 4304737909 | NBU 1021-3H |
|------------|--------------|
| 4304737917 | NBU 1021-25E |
| 4304737911 | NBU 1021-24C |
| 4304750029 | NBU 375-13E |
| 4304750033 | NBU 515-25E |
| 4304750034 | NBU 673-25E |
| 4304750035 | NBU 674-25E |
| 4304737963 | NBU 1021-3G |
| 4304737965 | NBU 1021-5D |
| 4304737684 | NBU 498-13E |
| | |